Government of Saskatchewan

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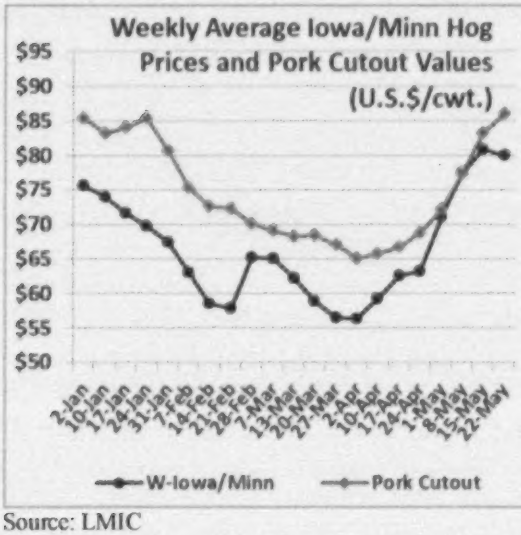
Weekly Hog Report

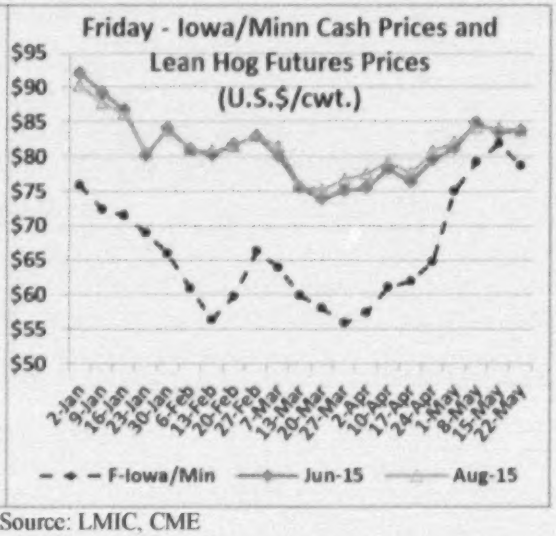
May 25, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged lower last week to end the week lower; week-over-week. Hog prices on Friday averaged US$78.72 per cwt, down US$3.09 per cwt or 3.8 per cent from US$81.81 per cwt the previous Friday. The negotiated base price for the week averaged US$79.94 per cwt, down US$0.94 per cwt or 1.2 per cent from US$80.88 per cwt the previous week. U.S. slaughter weight hog prices lost some ground last week as hog slaughter numbers increased over the week.



Source: LMIC



Source: LMIC, CME

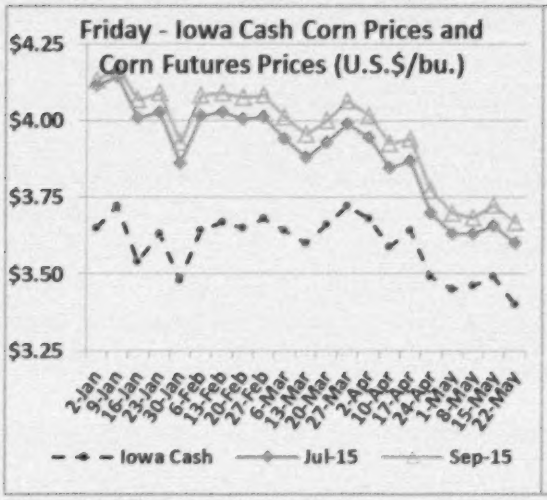
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday May 22, 2015 was $177.04 per ckg, up $0.73 per ckg or 0.4 per cent from $176.31 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $179.16 per ckg, up $2.59 per ckg or 1.5 per cent from the previous weeks' average price of $176.57 per ckg. The Canadian dollar moved lower last week on a stronger U.S. dollar to close Friday at 81.29 cents; down 1.89 cents from the previous Friday's close of 83.18 cents.

Futures Markets

Lean hog futures daily prices were mixed last week but relatively unchanged, week-over-week. The nearby June 2015 contract increased US$0.375 per cwt to settle Friday at US$83.725 per cwt, while the August contract declined US$0.300 per cwt to settle Friday at US$83.725 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$37.97 per head, down US$1.31 per head from US$39.28 per head the previous week. Feeders (40lb) were US$67.66 per head, up $4.08 per head from US$63.58 per head the previous week.



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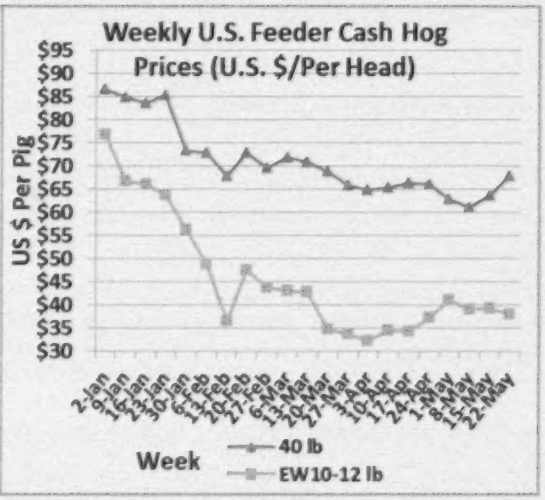

Source: Iowa Agriculture, CME

Iowa cash corn prices moved lower last week declining nine cents per bushel to end Friday at US$3.40 per bushel. U.S. daily corn futures prices were mixed over the week but ended lower. The July corn futures contract declined 5½ cents to settle Friday at US$3.60 per bushel, while the September corn futures contract declined almost six cents per bushel to settle Friday at US$3.66¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending May 23 were estimated at 2.147 million head, up 0.9 per cent from 2.128 million head the previous week, and up 9.3 per cent from 1.964 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 2.134 million head per week, up 6.9 per cent from 1.996 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 16, 2015 were estimated at 396,379 head, down 1.9 per cent from 404,162 head the previous week, but up 2.6 per cent from 386,142 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending May 16, 2015, were estimated to average 402,280 head, up 4.3 per cent from 385,779 head over the same period a year ago.

In Western Canada, hogs slaughtered over the last four weeks ending May 16, 2015 averaged 161,067 head, up 0.9 per cent from 159,657 head over the same four weeks a year ago. Western Canadian hogs slaughtered year-to-date totaled 3.324 million head, up about 2.9 per cent from 3.230 million head the same period a year ago.

Meat Production

U.S. pork production for the week ending May 23, 2015 was estimated at 457.7 million lb., up 0.7 per cent from 454.4 million lb. the previous week, and up 8.2 per cent from 422.9 million lb. the same week a year ago. Pork production over the last four weeks ending May 23 was estimated to average 455.0 million lb., up 5.6 per cent from 431.0 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 23, totaled 459.6 million lb., down 0.5 per cent from 461.7 million lb. the previous week, and down 3.6 per cent from 477.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 16, 2015, was estimated to average 2.003 billion lb., up 3.7 per cent from 1.931 billion lb. over the same four weeks a year ago. Total U.S. meat production year-to-date for 2015 is estimated to be up 4.0 per cent compared to the same period in 2014.

United States Weekly Meat Production

(May 16) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	433.1	456.2	5.3%	6.5%
Beef	471.5	456.0	-3.3%	-4.0%
Chicken	897.5	963.0	7.3%	6.9%
Turkey	129.1	127.8	-1.0%	3.5%
Total	**1,931.1**	**2,002.9**	**3.72%**	**3.99%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending May 23, 2015 averaged US$85.94 per cwt, up US$2.76 per cwt or 3.3 per cent from US$83.18 per cwt the previous week, but down 25.3 per cent from US$115.03 per cwt from a year ago. Pork cutout values had another strong week increasing noticeably from the previous week with increased demand.

Average beef cutout values (Choice 600-900 lb.) for the week ending May 23 averaged US$263.19 per cwt, up US$1.12 per cwt from US$262.07 per cwt from the previous week, and up 14.2 per cent from US$230.48 per cwt the same week a year ago. Weekly prices established new all-time high record prices passing the old weekly average record highs of US$262.26 per cwt established in early August 2014.

Average chicken cutout values (Northeast breast) for the week ending May 23 averaged US$163.24 per cwt, down US$3.71 per cwt from US$166.95 per cwt from the previous week, and down 13.9 per cent from US$189.63 per cwt the same week a year ago.

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